

**Vermont Department of Labor**

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[www.labor.vermont.gov](http://www.labor.vermont.gov)

September 30, 2008

**IMPORTANT NOTICE REGARDING  
Health Care Reporting Requirements**

**Third Party reporters receiving this notice:** If your address is the one of record, it is your responsibility to share a copy of this notice with the employer noticed on the reverse side.

**CHANGE IN EXEMPTION:**

Effective with the filing for the quarter ending September 30, 2008, which report is due October 31, 2008, the Full Time Exemption (FTE) will change from eight (8) to six (6). This means, when filing the third quarter of 2008 Wage and Contribution C-101 report you may only deduct six (6) "uncovered" FTEs. A brief bulletin is on the back of the Employer's third Quarter Wage and Contribution Report that has been mailed to you under separate cover.

If you have more than six (6) employees you must calculate whether you owe a health care assessment. This can be done through the Vermont Internet Tax and Wage System, using our on-line FTE calculator or by completing Form HC-1, which is mailed to you with the quarterly report.

**RULES FOR REPORTING:**

The rules for Health Care Contribution reporting remain unchanged since August 23, 2007; copies of the rules may be obtained from our website or by calling. There is also a wealth of resources available specifically designed to help facilitate proper reporting. All of these documents can be accessed on our website under the Unemployment Tax and Benefits Section. Problems in the following areas continue to occur; please be mindful, improper reporting may result in an assessment of a penalty and/or interest.

- **ONE Report - ONE payment** is required each quarter. The Wage and Contribution Report is designed to capture both Unemployment Insurance and Health Care Contributions due. Reporting is always required, even if your reporting is "zero".
- **Determining if an employee is "uncovered"** for Health Care reporting purposes. A decision tree solely for this purpose is provided on the reverse side of the Health Care Contribution Worksheet, VDOL Form HC-1.
- **Retaining records is required.** Even if you have a payroll service, you as the employer must maintain records to support the health care reporting done. These records include, but are not limited to: completed VDOL Declaration of Coverage forms; documentation of hours worked; and documentation of enrollment in the plan you offer and pay a portion of.
- **VDOL Declaration of Coverage forms** must be completed annually by employees who are eligible but not enrolled in the plan you offer and pay a portion of, or by all employees who meet the Health Care "Part-time" or "Seasonal" definition. As of January 1, 2009, all employers should be using the mandated declaration VDOL Form HC-2. Further information about part-time or seasonal classification, along with the mandated declaration, is provided on line or by calling.
- **A direct link to Labor's Health Care reporting page** has been provided for your convenience.  
<http://labor.vermont.gov/Default.aspx?tabid=1164>